

From: Matt Weissinger [REDACTED]@epicgames.com>
Sent: Fri, 17 Jul 2020 12:48:09 +0000 (UTC)
To: Hans Stolfus [REDACTED]@epicgames.com>
Subject: Re: The Why
Attachments: Coalition one sheet - v2 legal edit 7-16-20 .docx

Hey! All good points, and some of it is probably best discussed on a call rather than write a long email response. This article provides a decent summary of some of our main issues, but the attached document that we're going to look to reference as part of Liberty efforts I think paints a clearer picture of our public position.
<https://appleinsider.com/articles/17/08/22/epic-games-head-tim-sweeney-bemoans-ios-app-stores-leeching-of-developer-profits>

I'll setup some time to chat through the rest of the topics. Thanks Hans!

On Thu, Jul 16, 2020 at 11:18 PM Hans Stolfus [REDACTED]@epicgames.com> wrote:

Hey Matt,

Not entirely sure how to raise this line of questioning internally, and frankly am not overly comfortable sharing it in the type of meeting environment we have established with Tim, but I'm sending it anyway as I believe it is very important to our success. Hope that's cool.

As you know, all strategic brand initiatives need a consistent starting point and narrative. And must remain on course for the consumer to trust and believe in the overall message. Right now ours feels a bit all over the place as there is currently nothing to really grab onto and support.

Namely:

- Why is 30% unfair? Have we publicly defined this from our perspective? Most consumers care about availability and convenience of purchase, not who is getting what percentage following a sale, so 30% means nothing to most of the world.
- Why do we believe 12% is fair, as we have published numerous times and applied to our 3rd party developer agreements on EGS? Are we willing to further define why this number works for publishers and anchor our story in '12%'?
- If 12% is 'our' number, why are we discounting at 20% and not 18% if we're passing the perceived savings onto the consumer instead of the developer? These types of subtle inconsistencies cause people to question a company's motives.
- Why does passing that savings along to the consumer change the industry for the better? Or is it just a PR move to take the eyes off of our payment platform trojan horse?
- If we do believe 12% is fair, and we are adding our storefront to mobile to combat unfair app store practices, why aren't we giving 12% of revenue generated through Epic Direct Payment to the platform it's being generated on in-kind? Isn't that the only fair and equitable way to genuinely approach this and gain the public's favor?
- If Apple and Google relent and change their percentage to 12%, why would we continue to strive for multiple payment options within mobile storefronts, or would we retreat and accept victory? i.e., do we even really care about 12% or is getting our storefront on their platforms our only objective?

In my professional experience, namely the Note7 recovery task force at Samsung, it always comes back to the 'Why.' If the consumer believes in why you made the decisions you made and trusts they were made in the best interest of them or the greater good, AND they understand the rules, they will forgive the errors you made in getting there. Even phones blowing up in people's pockets. But if the logic doesn't support the potential inconvenience, and the 'Why' doesn't remain consistent across all touchpoints, all the formerly altruistic initiative becomes is a pain in the ass that the consumer just wants to go away.

Hans

EXHIBIT 10198